



10-14-04

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application of: Zahid ANSARI et al.

Confirmation No.: 3828

Application No.: 09/937,680

Group Art Unit: 2816

Filed: November 29, 2001

Examiner: Tra, Anh Quan

For: METHOD AND APPARATUS
FOR PROVIDING PULSE WIDTH
MODULATION

Attorney Docket No.: 81400-4000

LETTER

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Further to applicants' amendment of October 7, 2004 for this application, there is submitted herewith a new power of attorney appointing the undersigned to handle all further correspondence regarding this matter.

No fee is believed to be due for this submission. Please charge any required fees to Winston & Strawn LLP Deposit Account No. 50-1814.

Respectfully submitted,

Date:

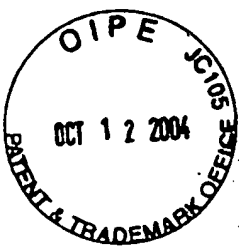
10/12/04


Allan A. Fanucci Reg. No. 30,256

WINSTON & STRAWN LLP
CUSTOMER NO. 28765

(212) 294-3311

Enclosures



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application of: Zahid ANSARI et al.

Confirmation No.: 3828

Application No.: 09/937,680

Group Art Unit: 2816

Filed: November 29, 2001

Examiner: Tra, Anh Quan

For: METHOD AND APPARATUS
FOR PROVIDING PULSE WIDTH
MODULATION

Attorney Docket No.: 81400-4000

**REVOCATION AND POWER OF ATTORNEY BY ASSIGNEE
AND EXCLUSION OF INVENTOR(S) UNDER 37 C.F.R. 3.71**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

The undersigned owner of the entire right, title and interest in, to and under the above-identified patent hereby revokes all previous powers and now appoints Allan A. Fanucci (Reg. No. 30,256) and Daniel J. Hulseberg (Reg. No. 36,554) of WINSTON & STRAWN LLP (Customer No. 28765) to transact all business in the United States Patent and Trademark Office connected therewith. Please direct all correspondence for this application to the attention of Allan A. Fanucci (telephone (212) 294-3311, facsimile (212) 294-4700).

The undersigned has reviewed the "Order Granting Motion for Approval of Stipulation between Chapter 7 Trustee, Debtor (Anacon Systems, Inc.) and Daydreams LLC for Relief from Automatic Stay", the "Stipulation between Chapter 7 Trustee, Debtor and Daydreams LLC for Relief from the Automatic Stay", and the letter dated June 3, 2004 with attached Exhibit A entitled "Notice of Intention to Accept Collateral Pursuant to California Commercial Code Section 9620", and to the best of his knowledge, title is in Daydreams LLC, the party seeking to take action in this application and that he is empowered to act on its behalf.

ASSIGNEE:

DAYDREAMS LLC

Signature:

October 11, 2004

Date of Signature:

Typed Name:

Henry Paret

Position/Title:

Chief Investment Officer

Address:

One North Clematis Street, Suite 320

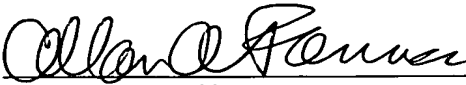
West Palm Beach, FL 33401

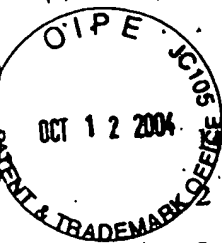

**RECORDATION FORM COVER SHEET
PATENTS ONLY**
Attorney Docket Number **81400-4000**

Mail Stop Assignment Recordation Services
Director of the US Patent and Trademark Office
P.O. Box 1450

Alexandria, VA 22313-1450

Please record the attached original documents or copy thereof.

<p>1. Name of conveying parties: Anacon Systems, Inc.</p> <p>Execution Dates: June 24, 2004; June 6, 2004; and March 31, 2004</p> <p>Additional names attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party:</p> <p>DAYDREAMS LLC One North Cematis Street Suite 320 West Palm Beach, Florida 33401</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input checked="" type="checkbox"/> Other: Order Granting Motion for Approval of Stipulation between Chapter 7 Trustee, Debtor and Daydreams LLC for Relief from Automatic Stay"; "Stipulation between Chapter 7 Trustee, Debtor and Daydreams LLC for Relief from the Automatic Stay"; and letter dated June 3, 2004 with attached Exhibit A entitled "Notice of Intention to Accept Collateral Pursuant to California Commercial Code Section 9620".</p>	
<p>4. Application numbers or patent numbers: 09/937,680, filed November 29, 2001</p> <p>If this document is being filed with a new application, the execution date of the application is:</p> <p>A. Patent Application Nos.: _____ B. Patent Nos.: _____</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>5. Mail correspondence to:</p> <p>WINSTON & STRAWN LLP CUSTOMER NO. 28765</p>	<p>6. Number of applications and patents involved: 1</p> <p>7. Total fee (37 CFR 3.41): \$40.00 Please charge deposit account listed in Section 8.</p> <p>8. Deposit account number: 50-1814</p>
DO NOT USE THIS SPACE	
<p>9. Statement and signature.</p> <p><i>To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.</i></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 30%;"> <p><u>Allan A. Fanucci, Reg. No. 30,256</u></p> <p>Name of Person Signing</p> </div> <div style="width: 30%; text-align: center;">  <p>Signature</p> </div> <div style="width: 30%; text-align: right;"> <p><u>October 12, 2004</u></p> <p>Date</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p>Total number of pages including cover sheet:</p> </div> <div style="width: 35%; text-align: center; border: 1px solid black; padding: 5px;"> <p>16</p> </div> </div>	



PAUL R. GLASSMAN (STATE BAR NO. 76536)
KATHLEEN D. DEVANEY (STATE BAR NO. 156444)
GREENBERG TRAURIG, LLP
2450 Colorado Avenue, Suite 400E
Santa Monica, California 90404
Telephone: (310) 586-7700
Facsimile: (310) 586-7800

Attorneys for Secured Creditor
Daydreams LLC, a New Jersey limited liability company

FILED

04 MAY -5 AM 9:27

U.S. BANKRUPTCY COURT
NORTHERN DIST. OF CA.
SAN JOSE, CA.

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re

ANACON SYSTEMS, INC.

Debtor.

Tax ID No. 77-0447479

Bk. Case No.: 04-50440 MM7

Chapter 7

**[PROPOSED] ORDER GRANTING
MOTION FOR APPROVAL OF
STIPULATION BETWEEN CHAPTER 7
TRUSTEE, DEBTOR AND DAYDREAMS
LLC FOR RELIEF FROM THE
AUTOMATIC STAY**

[No Hearing Required – Submitted Pursuant to
B.L.R. 9014-1(b)(4)]

The Motion of secured creditor Daydreams LLC (“Daydreams”) for an order authorizing and approving that certain “Stipulation Between Chapter 7 Trustee, Debtor and Daydreams LLC for Relief from the Automatic Stay” (“Stipulation”) having been duly noticed pursuant to Local Bankruptcy Rule 9014-1(b)(3), and no response and request for hearing having been filed and served within twenty (20) days of the notice of the Motion, and the Court, having considered the Stipulation, the Motion, and all papers filed in support of the Motion, and other good cause appearing therefor,

\\LA-SRV01\237460v01\25081.010500

[PROPOSED] ORDER APPROVING STIPULATION

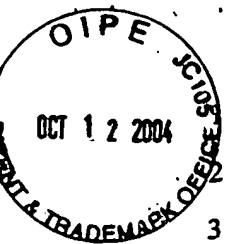
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IT IS HEREBY ORDERED:

1. The Motion is granted;
2. The Stipulation, an executed copy of which is attached hereto as Exhibit "A," is approved; and
3. Pursuant to the Stipulation, the automatic stay is terminated as to Daydreams LLC to permit it to proceed against the Debtor, the estate and property of the estate under applicable non-bankruptcy law to enforce Daydreams LLC's rights and remedies, including its remedies with respect to the Security Agreement, the Collateral, the promissory note and related documents as set forth in the Stipulation.

Dated: MAY 05 2004

MARILYN MORGAN
United States Bankruptcy Judge



PAUL R. GLASSMAN (STATE BAR NO. 76536)
KATHLEEN D. DEVANEY (STATE BAR NO. 156444)
GREENBERG TRAURIG, LLP
2450 Colorado Avenue, Suite 400E
Santa Monica, California 90404
Telephone: (310) 586-7700
Facsimile: (310) 586-7800

Attorneys for Secured Creditor
Daydreams LLC, a New Jersey limited liability company

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re

ANACON SYSTEMS, INC.

Debtor.

Tax ID No. 77-0447479

Bk. Case No.: 04-50440 MM7

Chapter 7

STIPULATION BETWEEN CHAPTER 7
TRUSTEE, DEBTOR AND DAYDREAMS
LLC FOR RELIEF FROM THE
AUTOMATIC STAY

This stipulation ("Stipulation") is entered into by and between Carol Wu, in her capacity as chapter 7 trustee ("Trustee") for the bankruptcy estate of debtor AnaCon Systems, Inc. ("Debtor"), the Debtor, and Daydreams LLC, a New Jersey limited liability company ("Daydreams"). Each of the parties hereto may be referred to individually as a "Party" and all such parties may be referred to collectively as the "Parties." This Stipulation is made with reference to the following facts.

RECITALS

A. Daydreams is a secured creditor of the Debtor holding a duly perfected first priority security interest in the Debtor's assets based upon, among other things, (a) that certain Security Agreement entered into between Daydreams and the Debtor on August 31, 2000 ("Security

lv_vl

STIPULATION BETWEEN CHAPTER 7 TRUSTEE AND DAYDREAMS LLC FOR RELIEF FROM THE
AUTOMATIC STAY

1 Agreement"), and (b) that certain UCC-1 Financing Statement filed with the California Secretary of
2 State on October 10, 2000 (Doc. No. 0029060066). The Debtor's assets subject to this security interest
3 are described in the documents identified above (the "Collateral").

4 B. On January 23, 2004 ("Petition Date"), the Debtor filed its voluntary chapter 7 petition
5 under title 11 of the United States Code ("Bankruptcy Code") in the United States Bankruptcy Court for
6 the Northern District of California, Case No. 04-50440 MM7 ("Bankruptcy Case"). Carol Wu was duly
7 appointed as the Trustee.

8 C. As of the Petition Date, Daydreams has a secured claim against the bankruptcy estate
9 ("Estate") in the amount of \$1,274,510.62.

10 D. The Trustee has conducted an investigation concerning the Debtor's assets and
11 determined that the same are burdensome to the estate and/or are of inconsequential value and benefit to
12 the estate, and that the Debtor does not have any equity in such assets. As a result, the Trustee and the
13 Debtor have no objection to Daydreams obtaining relief from the automatic stay to proceed against the
14 Debtor, the estate and property of the estate under applicable non-bankruptcy law to enforce
15 Daydreams' rights and remedies with respect to the Security Agreement, the Collateral, the promissory
16 note and related documents.

17 Based on the foregoing facts, Daydreams and the Trustee hereby stipulate and agree that the
18 Bankruptcy Court should order as follows:

19 **STIPULATION**

20 1. Upon the Effective Date, as defined in paragraph 5 below, the automatic stay of
21 Bankruptcy Code section 362(a) is terminated as to Daydreams to, among other things, allow
22 Daydreams (and any successors and assigns) to proceed against the Debtor, the estate and property of
23 the estate under applicable non-bankruptcy law to enforce Daydreams' rights and remedies, including its
24 remedies with respect to the Security Agreement, the Collateral, the promissory note and related
25 documents by way of, *inter alia*, repossessing or otherwise obtaining possession of, utilizing and
26 disposing of the Collateral.

27 2. Upon execution of the Stipulation, Daydreams shall prepare, file with the Bankruptcy
28 Court and serve upon all parties entitled to notice thereof a motion for approval of the Stipulation

1 ("Motion") and shall take all necessary steps to obtain an order from the Bankruptcy Court approving
2 this Stipulation. The Trustee and the Debtor agree to cooperate with Daydreams in connection
3 therewith.

4 3. Daydreams represents and warrants that it has the power and authority to enter into and
5 perform this Stipulation.

6 4. Except with respect to the requirement that the Bankruptcy Court approve this
7 Stipulation, the Trustee represents and warrants that she has the power and authority to enter into and
8 perform this Stipulation in her capacity as Trustee of the Debtor's estate.

9 5. This Stipulation shall become effective immediately upon the entry of an order approving
10 this Stipulation by the Bankruptcy Court (the "Effective Date").

11 6. The Parties shall bear their own attorneys' fees and costs incurred in connection with this
12 Stipulation, including, without limitation, any fees and costs incurred in the preparation and execution of
13 this Stipulation and related documents and obtaining its approval by the Bankruptcy Court.

14 7. This Stipulation shall be construed in accordance with, and be governed by, the laws of
15 the State of California, without regard to its conflicts of laws rules.

16 8. In the event that any action is required to enforce, defend or construe any provision in
17 this Stipulation, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs
18 incurred in connection therewith.

19 9. The Parties agree to recognize the exclusive jurisdiction of the Bankruptcy Court to hear
20 and resolve any dispute with respect to, or any claim that may arise out of or in connection with, this
21 Stipulation.

22 10. The Parties mutually covenant and agree to execute any additional documents and to do
23 all other acts reasonable required to effectuate the intent and purpose of this Stipulation and to obtain its
24 approval by the Bankruptcy Court.

25 11. This Stipulation can only be amended or modified by a written agreement duly executed
26 by the Parties.

27 12. The Parties acknowledge that they have read and fully understand the contents and the
28 effect of this Stipulation. The Parties represent that in entering into this Stipulation they are not relying

1 on any promise, inducement, warranty or representation of any Party other than as expressly set forth in
2 this Stipulation, and that this Stipulation represents the entire agreement between the Parties,
3 superseding any and all prior negotiations and agreements relating or pertaining to the subject matter of
4 this Stipulation.

5 13. This Stipulation may be executed in counterparts, each of which, when so executed and
6 delivered, shall be an original, but such counterparts shall together constitute but one and the same
7 instrument and agreement. This Stipulation shall be deemed to be executed on the last day any such
8 counterpart is executed.

9 Dated: March 31, 2004

GREENBERG TRAURIG, LLP

10
11 By: 

Paul R. Glassman

Attorneys for Secured Creditor Daydreams LLC

12
13
14 Dated: March __, 2004

CAROL WU, IN HER CAPACITY AS CHAPTER 7
TRUSTEE FOR THE BANKRUPTCY ESTATE OF
ANACON SYSTEMS, INC.

15
16
17 By: _____

Carol Wu
In Pro Per

18
19 Dated: March __, 2004

LAW OFFICES OF WILLIAM C. LEWIS

20
21 By: _____

William C. Lewis

Attorneys for Debtor AnaCon Systems, Inc.

1 on any promise, inducement, warranty or representation of any Party other than as expressly set forth in
2 this Stipulation, and that this Stipulation represents the entire agreement between the Parties,
3 superseding any and all prior negotiations and agreements relating or pertaining to the subject matter of
4 this Stipulation.

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6 delivered, shall be an original, but such counterparts shall together constitute but one and the same
7 instrument and agreement. This Stipulation shall be deemed to be executed on the last day any such
8 counterpart is executed.

9 Dated: March __, 2004

GREENBERG TRAURIG, LLP

11 By: _____

Paul R. Glassman

Attorneys for Secured Creditor Daydreams LLC

14 Dated: March 31, 2004

CAROL WU, IN HER CAPACITY AS CHAPTER 7
TRUSTEE FOR THE BANKRUPTCY ESTATE OF
ANACON SYSTEMS, INC.

17 By: Carol Wu

Carol Wu

In Pro Per

19 Dated: March __, 2004

LAW OFFICES OF WILLIAM C. LEWIS

22 By: _____

William C. Lewis

Attorneys for Debtor AnaCon Systems, Inc.

28
4
STIPULATION BETWEEN CHAPTER 7 TRUSTEE, DEBTOR AND DAYDREAMS LLC FOR RELIEF FROM
THE AUTOMATIC STAY

1 on any promise, inducement, warranty or representation of any Party other than as expressly set forth in
2 this Stipulation, and that this Stipulation represents the entire agreement between the Parties,
3 superseding any and all prior negotiations and agreements relating or pertaining to the subject matter of
4 this Stipulation.

5 13. This Stipulation may be executed in counterparts, each of which, when so executed and
6 delivered, shall be an original, but such counterparts shall together constitute but one and the same
7 instrument and agreement. This Stipulation shall be deemed to be executed on the last day any such
8 counterpart is executed.

9 Dated: March __, 2004

GREENBERG TRAURIG, LLP

11 By: _____

Paul R. Glassman

Attorneys for Secured Creditor Daydreams LLC

14 Dated: March __, 2004

CAROL WU, IN HER CAPACITY AS CHAPTER 7
TRUSTEE FOR THE BANKRUPTCY ESTATE OF
ANACON SYSTEMS, INC.

17 By: _____

Carol Wu

In Pro Per

19 Dated: March 31, 2004

LAW OFFICES OF WILLIAM C. LEWIS

21 By: _____

William C. Lewis

Attorneys for Debtor AnaCon Systems, Inc.

1
2 **PROOF OF SERVICE**

3 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

4 I am employed in the aforesaid county, State of California; I am over the age of 18 years and not
5 a party to the within action; my business address is 2450 Colorado Avenue, Suite 400E, Santa
6 Monica, CA 90404.

7 On May 4, 2004, I served the [PROPOSED] ORDER GRANTING MOTION FOR
8 APPROVAL OF STIPULATION BETWEEN CHAPTER 7 TRUSTEE, DEBTOR AND
9 DAYDREAMS LLC FOR RELIEF FROM THE AUTOMATIC STAY on the interested parties in
10 this action by placing the true copy thereof, enclosed in a sealed envelope, postage prepaid, addressed as
11 follows:

12 **Debtor:**

13 AnaCon Systems, Inc.
14 1265 Montecito Avenue, # 110
15 Mountain View, CA 94043

16 **Counsel for Debtor:**

17 William C. Lewis, Esq.
18 Law Offices of William C. Lewis
19 510 Waverly Street
20 Palo Alto, CA 94301

21 **Trustee:**

22 Carol Wu
23 25A Crescent Dr., # 413
24 Pleasant Hill, CA 94523

25 **U.S. Trustee:**

26 Office of the U.S. Trustee / SJ
27 280 S 1st Street., # 268
28 San Jose, CA 95113-3004

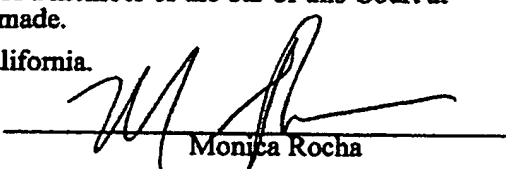
29 ☒ **(BY MAIL)**

30 ☐ I deposited such envelope in the mail at Santa Monica, California. The envelope was mailed
31 with postage thereon fully prepaid.

32 ☒ I am readily familiar with the business practice of my place of employment in respect to the
33 collection and processing of correspondence, pleadings and notices for mailing with United
34 States Postal Service. The foregoing sealed envelope was placed for collection and mailing
35 this date consistent with the ordinary business practice of my place of employment, so that it
36 will be picked up this date with postage thereon fully prepaid at Santa Monica, California, in
37 the ordinary course of such business.

38 ☒ **(FEDERAL)** I declare under penalty of perjury that the foregoing is true and correct, and
39 that I am employed at the office of a member of the bar of this Court at
40 whose direction the service was made.

41 Executed on May 4, 2004, at Santa Monica, California.

42 
43 Monica Rocha

Greenberg Traurig

FILE

Kathleen D. DeVaney
310.586.7823
devaneyk@gtlaw.com

June 3, 2004

Mr. Bala Padmakumar
President
AnaCon Systems, Inc.
111 Woodleaf Way
Mountain View, CA 94040

Ms. Carol Wu
Chapter 7 Trustee
25A Crescent Drive, #413
Pleasant Hill, CA 94523

Re: Notice of Intention to Accept Collateral Pursuant to California
Commercial Code § 9620

Dear Mr. Padmakumar and Ms. Wu:

The purpose of this letter is to inform you that AnaCon Systems, Inc. ("AnaCon") is in default under the terms of the Security Agreement dated August 31, 2000 (the "Security Agreement") between AnaCon, as debtor, and Daydreams LLC, a New Jersey limited liability company ("Daydreams"), as secured party. As of January 23, 2004, the date that AnaCon filed its Chapter 7 bankruptcy case, Case No. 04-50440 (the "Case"), the amount of the outstanding obligation under the Security Agreement was not less than \$1,274,510.62.

On May 5, 2004, Judge Marilyn Morgan of the U.S. Bankruptcy Court for the Northern District of California issued an order granting Daydreams' "Motion for Approval of Stipulation Between Chapter 7 Trustee, Debtor and Daydreams for Relief from the Automatic Stay" (the "Order") in the Case. Pursuant to the Order approving the Stipulation between AnaCon, Daydreams and the Chapter 7 Trustee ("Trustee"), the automatic stay has been terminated and Daydreams may proceed against AnaCon, its bankruptcy estate, the Trustee and property of the AnaCon bankruptcy estate under applicable non-bankruptcy law to enforce Daydreams' rights and remedies, including its remedies with respect to the Security Agreement, the collateral identified on Exhibit A to this letter (the "Collateral"), the promissory note and related documents as set forth in the Stipulation and Order.

Based on the agreement reached between AnaCon and Daydreams and pursuant to California Commercial Code § 9620, AnaCon has agreed to acceptance of the Collateral by

ALBANY
AMSTERDAM
ATLANTA
BOCA RATON
BOSTON
CHICAGO
DALLAS
DENVER
FORT LAUDERDALE
LOS ANGELES
MIAMI
NEW JERSEY
NEW YORK
ORANGE COUNTY, CA
ORLANDO
PHILADELPHIA
PHOENIX
SILICON VALLEY
TALLAHASSEE
TYSONS CORNER
WASHINGTON, D.C.
WEST PALM BEACH
WILMINGTON
ZURICH

Mr. Padmakumar and Ms. Wu
June 3, 2004
Page 2

Daydreams in full satisfaction of AnaCon's secured obligation to Daydreams and AnaCon has consented thereto. Daydreams acceptance of the Collateral in full satisfaction of AnaCon's secured obligation to Daydreams is subject to certain conditions including, but not limited to, the following: (1) that any of the Collateral not in the possession of Daydreams has been preserved and maintained; (2) that third parties in possession of the Collateral and AnaCon cooperate with Daydreams in connection with the turnover of the Collateral to Daydreams; (3) that Daydreams receives no objection to this Notice from other parties that may have an interest in the Collateral junior to Daydreams interest; and (4) that all of the Collateral is turned over to Daydreams by the Debtor, the Trustee and/or third parties in possession of the Collateral without objection and/or litigation.

This letter constitutes written notice pursuant to California Commercial Code § 9620 that Daydreams proposes to accept the Collateral in full satisfaction of AnaCon's obligation described in the Security Agreement based on the conditions set forth above. Unless we receive your objection to Daydreams' acceptance of the Collateral within twenty (20) days of the date of this Notice, you will have consented to this proposal pursuant to California Commercial Code §9620(c)(2)(C). However, in order to expedite matters, please complete the enclosed consent form and return it to me by fax at (310) 586-0223 and by mail.

Please call me at (310) 586-7823 if you have any questions.

Sincerely,


Kathleen D. DeVaney

Enclosures (Consent Forms and Exhibit A)

cc: Mr. Henry Paret, Daydreams LLC (w/enclosures)
Phillip Gildan, Esq. (w/enclosures)
Paul Glassman, Esq. (w/enclosures)
US Bancorp (w/ Exhibit A only)
Cypress Semiconductor Corporation (w/ Exhibit A only)
Balboa Capital (w/ Exhibit A only)
Newcourt Financial (w/ Exhibit A only)
Information Leasing Corporation (w/ Exhibit A only)

WLA-SRV01\242324\01\7CKK01_DOC25081

EXHIBIT "A"

Accounts. Any and all of Debtor's accounts, contract rights, and other rights to the payment of monies, now existing or hereafter acquired, including all repossessions and returns and all proceeds of the Accounts.

Inventory. Any and all of Debtor's inventory in all of its forms, now or hereafter existing, including but not limited to all finished goods, work in process and raw materials, and goods which are returned to or repossessed by Debtor, and all proceeds of the Inventory.

Equipment. Any and all of Debtor's equipment, now or hereafter acquired, used in manufacture or otherwise used in the conduct of Debtor's business, including but not limited to manufacturing equipment, field service equipment, office equipment, furniture and fixtures and leasehold improvements to the full extent of Debtor's interest in all of the above and all proceeds of the Equipment, provided, that the Collateral shall not include Equipment (or Debtor's leasehold interest therein) purchased or leased by Debtor to the extent that the inclusion of such Equipment (or Debtor's leasehold interest therein) would violate the terms of bona fide purchase money obligations relating to the Equipment contained in the relevant agreements relating to Debtor's lease or purchase of such Equipment.

Technology. Any and all patents, patent rights, inventions, processes, formulae, licenses, trade secrets, know-how and other proprietary rights and data, engineering calculations, technical plans, drawings and data, trademarks, trademark rights, service marks, service mark rights, trade name, trade name rights, copyrights, copyright rights and all other technology or proprietary rights of Debtor, and all rights to acquire any such rights in each case, whether now owned or hereafter created, acquired or issued.

Fixtures. All fixtures of Debtor now owned or hereafter acquired by Debtor, and all additions and accessions thereto and all the proceeds of the Fixtures.

Other Personal Property. Any and all licenses, sublicenses and franchises, whether now owned or hereafter acquired, granted in any of the Technology, including, without limitation, any present or future right of Debtor to receive royalties or other payments from those to whom licenses, sublicenses or franchises have been or will be granted; all presently existing and hereafter arising general intangibles (as that term is defined in the Uniform Commercial Code); all other personal property and fixtures of the Debtor, whether now or hereafter existing, or now owned or hereafter acquired and wherever located, of every kind and description, tangible and intangible, including, but not limited to, the balance of every deposit account, now or hereafter existing, of the Debtor with any bank or financial institution and any claim of the Debtor against the Lender, or any of them, now or hereafter existing, and all money, goods, instruments, securities, documents, chattel paper, accounts, contract rights, general intangibles, credits, claims, demands, precious metals and any other property rights and interests of the Debtor; and any and all proceeds (including insurance proceeds) and products of any and all of the foregoing.

Consent of Chapter 7 Trustee to Acceptance of Collateral

To Daydreams LLC:

Pursuant to a discussion between AnaCon Systems, Inc. ("AnaCon") and Daydreams LLC ("Daydreams") and to California Commercial Code § 9620, and in my capacity as chapter 7 Trustee for the bankruptcy estate of AnaCon Systems, Inc., I consent to acceptance of the collateral identified on Exhibit A (the "Collateral") to the Notice by Daydreams in full satisfaction of AnaCon's secured obligation to Daydreams. I further consent to the turnover of any of the Collateral to Daydreams by any third party and of any Collateral currently in possession, and to the extent necessary I will act to facilitate the turnover of the Collateral to Daydreams. I acknowledge that Daydreams' acceptance pursuant to California Commercial Code §9620 is subject to the conditions set forth in the Notice.



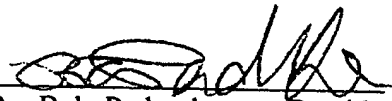
Carol Wu, Chapter 7 Trustee
for the bankruptcy estate of
AnaCon Systems, Inc.


Signed this 24 day of June 2004.

Consent of AnaCon Systems, Inc. to Acceptance of Collateral

To Daydreams LLC:

Pursuant to a discussion between AnaCon Systems, Inc. ("AnaCon") and Daydreams LLC ("Daydreams") and to California Commercial Code § 9620, AnaCon consents to acceptance of the collateral identified on Exhibit A (the "Collateral") by Daydreams in full satisfaction of AnaCon's secured obligation to Daydreams. AnaCon further consents to the turnover of any of the Collateral to Daydreams by any third party currently in possession of any of the Collateral, and to the extent necessary AnaCon will act to facilitate the turnover of the Collateral to Daydreams. AnaCon acknowledges that Daydreams' acceptance pursuant to California Commercial Code §9620 is subject to the conditions set forth in the Notice.


By: Bala Padmakumar, President
AnaCon Systems, Inc.,
a Delaware corporation


Signed this 6 day of June 2004.